

**DEFENSE FINANCE AND ACCOUNTING SERVICE
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates**

I. Description of Operations Financed:

The Defense Finance and Accounting Service (DFAS) serves as the Executive Agent responsible for finance and accounting activities within DoD. It is the single organization responsible for finance and accounting operations, procedures and systems. DFAS provides finance and accounting management and operational support for appropriated, non-appropriated, revolving and trust funds. DFAS operations touch a large population of customers through the payment of civilian and military personnel, military retirees and annuitants; and by the collection and disbursement of a wide variety of DoD funds for contracts, debt management, security assistance, transportation and travel. Additionally, DFAS has been designated the DoD program manager for the Overseas Military Banking Program, DoD Travel Card program and the temporary financial manager for the Financial Management and Executive Training Program (FMET).

The budget request provides for:

1. Facility Renovation - GSA will renovate the 44-year old building in Indianapolis, Indiana which is basically unchanged from its original construction to a safe and reliable work environment for employees and in return cap the lease expenses payable to GSA by DoD.
2. Executive and Professional Training - Provides executive, management and technical training for the DoD Financial community to upgrade skills and understanding of newly fielded DFAS financial and accounting operating systems and facility support at the Defense Leadership and Management Program located at Southbridge, Mass.
3. Program Management - Reimbursable costs to DFAS for the management of the DoD Overseas Military Banking program, Travel Card program, International Merchant Purchase Authorization Card (IMPAC) program and credit card program.
4. Defense Security Services costs of processing new and renewal security clearances.

II. Financial Summary (O&M) \$ in Thousands:

	FY 1998	FY 1999			FY 2000
	<u>Actuals</u>	<u>Request</u>	<u>Approp</u>	<u>Estimate</u>	<u>Estimate</u>
A. Defense Finance and Accounting Service					
1. Facility Renovation	56,400	41,600	26,600	26,600	25,000
2. Financial Management and Executive Training	24,401	34,566	28,278	28,278	18,003
3. DoD Program Management	-	7,111	1,111	1,111	1,735
4. Security Clearances	-	-	-	-	400
Total	80,801	83,277	55,989	55,989	45,138

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B. <u>Reconciliation Summary</u>	<u>Change</u> <u>FY 1999/FY1999</u>	<u>Change</u> <u>FY 1999/FY 2000</u>
FY 1999 Amended President's Budget	83,277	55,989
Congressional Adjustments (Undistributed)		
Section 8105 - DRI Savings	-72	
Section 8108 - Revised Economic Assuptions	-254	
Section 8050 - Indian Land Mitigation	-62	
Total Other Congressional Adjustments (Undistributed)	-388	
Decrease		
Realignment and rephasing of Building 1 payments in FY98	-15,000	
Elimination of excess program management funds.	-6,000	
Functional Transfers		
Transfer DLAMP to the Defense Human Resources Activity	-5,900	-12,500
Transfer FMET to the Defense Working Capital Fund		-3,000
Transfer IMPAC to the Army		-1,000
Defense Security Services		400
Total Functional Transfers	-5,900	-16,100
Program Decreases		
Facility Project - Bldg 1		-1,600
Program increases		
FMET		6,849
Overseas Banking and Travel Card		2,045
Current Estimate	55,989	45,138

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C. <u>Reconciliation of Increases and Decreases: (Dollars in Thousands)</u>		
FY 1999 President's Budget: BA-3		0
FY 1999 Appropriated: BA-3		0
Functional Program Transfers		
Transfers In:		
- FMET (from BA 4)		34,600
Transfers Out:		
- DLAMP transfer to DHRA		-5,900
FY 1999 Current Estimate: BA-3		28,700
Price Growth:		-700
Functional Program Transfers		
Transfers Out:		
- FMET transfer to the Defense Working Capital Fund	-3,000	-15,500
- DLAMP transfer to DHRA	-12,500	
Program Increases:		
- FMET		5,500
FY 2000 BA-3 Budget Request:		18,000
FY 1999 President's Budget: BA-4		83,277
Congressional Adjustment (Undistributed)		
- Section 8105 - DRI Savings	-72	
- Section 8108 - Revised Economic Assuptions	-254	
- Section 8050 - Indian Land Mitigation	-62	

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Reconciliation of Increases and Decreases: (Dollars in Thousands) (Cont.)

FY 1999 Appropriated: BA-4		82,889
Program Reductions		-21,000
- Building One contract costs restructure of payments	-15,000	
- Program Mangement funding that is not required	-6,000	
Functional Program Transfers		
Transfers Out:		
- FMET (to BA 3)		-34,600
FY 1999 Current Estimate: BA-4		27,289
Price Growth:		313
Functional Program Transfers		
Transfers Out:		-1,000
- International Merchant Purchase Authorization Card Program		
Transfers In:		
- Defense Security Services (Clearances)		400
Program Changes		
Program Increases:		
- Overseas Banking & Travel Programs		2,045
Program Decreases:		
- Building 1 Facility Renovation		-1,909
FY 2000 BA -4 Budget Request:		27,138

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III. Performance Criteria and Evaluation Summary:

N/A

IV. Personnel Summary:

N/A

V. Summary of Price and Program Changes:

	<u>FY 1998</u>	<u>Foreign</u>	<u>Price</u>	<u>Program</u>	<u>FY 1999</u>	<u>Foreign</u>	<u>Price</u>	<u>Program</u>	<u>FY 2000</u>
	<u>Estimate</u>	<u>Currency</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Currency</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
Line 923 Facility Maint	56,400		649	-30,449	26,600		309	-1,909	25,000
Line 989 Other Contracts	<u>24,401</u>		<u>281</u>	<u>4,707</u>	<u>29,389</u>		<u>332</u>	<u>-9,583</u>	<u>20,138</u>
Total	80,801		930	-25,742	55,989		641	-11,492	45,138